## **Flint Trading**

4686 Turnpike Court Thomasville, NC 27360

Inquiry Number: 3488634.5

January 07, 2013

## **EDR Historical Topographic Map Report**



## **EDR Historical Topographic Map Report**

Environmental Data Resources, Inc.s (EDR) Historical Topographic Map Report is designed to assist professionals in evaluating potential liability on a target property resulting from past activities. EDRs Historical Topographic Map Report includes a search of a collection of public and private color historical topographic maps, dating back to the early 1900s.

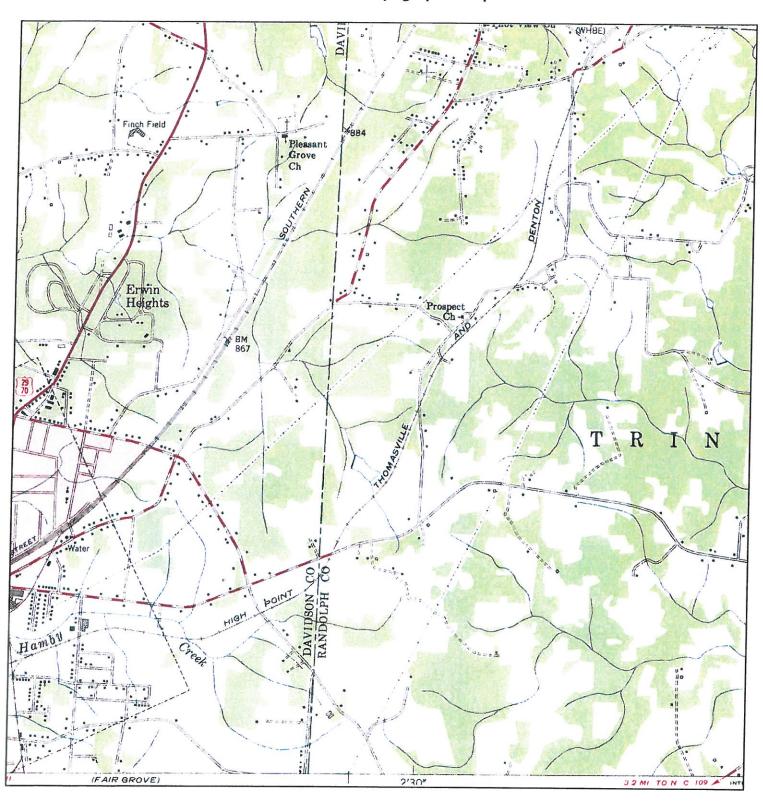
Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

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N T TARGET QUAD

NAME: HIGH POINT WEST

MAP YEAR: 1949

SERIES: 7.5 SCALE: 1:24000 SITE NAME: Flint Trading

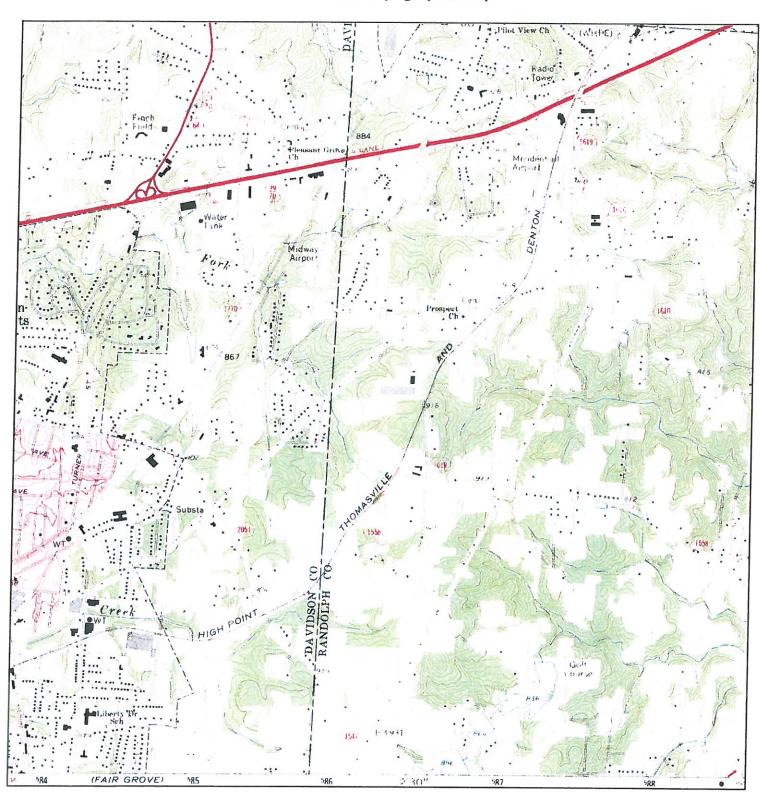
ADDRESS: 4686 Turnpike Court

Thomasville, NC 27360

LAT/LONG: 35.8866 / -80.0443

CLIENT: Pyramid Environmental

CONTACT: Ryan Kramer INQUIRY#: 3488634.5 RESEARCH DATE: 01/07/2013



N T TARGET QUAD

NAME: HIGH POINT WEST

MAP YEAR: 1969

SERIES: 7.5

SCALE: 1:24000

SITE NAME: Flint Trading

ADDRESS: 4686 Turnpike Court

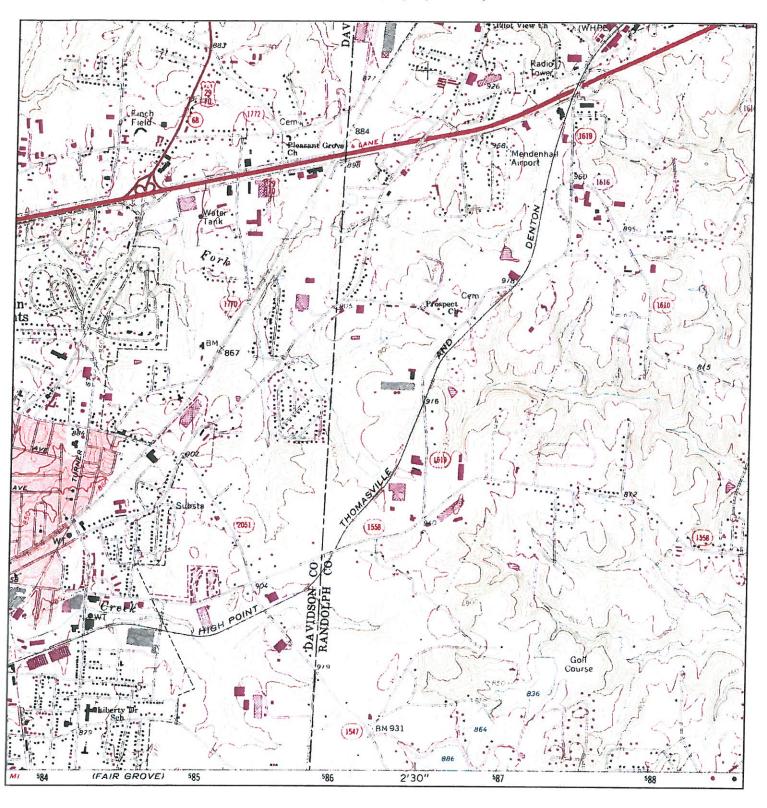
Thomasville, NC 27360

LAT/LONG: 35.8866 / -80.0443

CLIENT: Pyramid Environmental

CONTACT: Ryan Kramer INQUIRY#: 3488634.5

RESEARCH DATE: 01/07/2013



N T TARGET QUAD

NAME: HIGH POINT WEST

MAP YEAR: 1987

PHOTOREVISED FROM: 1969

SERIES: 7.5 SCALE: 1:24000 SITE NAME: Flint Trading

ADDRESS: 4686 Turnpike Court

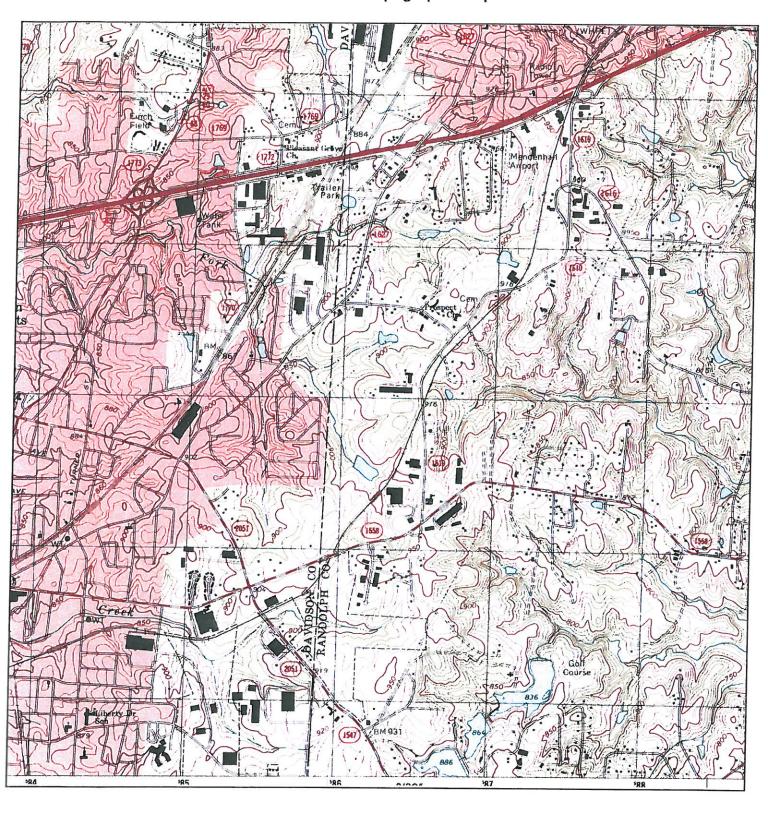
Thomasville, NC 27360

LAT/LONG: 35.8866 / -80.0443

CLIENT: Pyramid Environmental

CONTACT: Ryan Kramer INQUIRY#: 3488634.5

RESEARCH DATE: 01/07/2013



N

TARGET QUAD

NAME: HIGH POINT WEST

MAP YEAR: 1993

SERIES: 7.5 SCALE: 1:24000 SITE NAME: Flint Trading

ADDRESS: 4686 Turnpike Court

Thomasville, NC 27360

LAT/LONG: 35.8866 / -80.0443

CLIENT: Pyramid Environmental

CONTACT: Ryan Kramer INQUIRY#: 3488634.5 RESEARCH DATE: 01/07/2013

APPENDIX E

**Deed Records** 

FileD Krista M Lowe Register of Deeds. Randolph Co NC Recording Fee \$26 00 NC Real Estate Ex Tx \$707 00

20120413000058460 TR/D Bk:RE2280 Pg:1362 04/13/2012 11:34 55 6K:1/2



Mail to: Charles H McGirt Brinkley W	Valser, PLLC, PO Box 1657, Lexington, NC 27293
	H. McGirt, Attorney at Law, Lexington, NC 27293
Excise Tax \$ 707.00	
Parcel #6797095193	DEED PREPARATION ONLY
	NO TITLE OPINION RENDERED
***********	*****************
TRUSTEE'S DEED FOR SALE OF LA	
*************	**************
STATE OF NORTH CAROLINA	· ·
Randolph County.	

THIS DEED, Made this 10<sup>th</sup> day of April . 2012 by Trustee Services, Inc., Post Office Box 1657, Lexington, NC 27293-1657, Trustee, party of the first part, to LSB Properties, Inc., Post Office Box 867, Lexington, NC 27293-0867 a North Carolina corporation of Davidson County, State of North Carolina , party of the second part, witnesseth:

That Whereas, on the 27th day of July 2007, Gates Properties of Trinity, LLC executed and delivered unto the said Trustee Services, Inc., Trustee, a certain Deed of Trust, which is recorded in the office of the Register of Deeds for Randolph County, in Book 2036, page 603;

And Whereas, under and by virtue of the authority conferred by the said Deed of Trust, and in accordance with the terms and stipulations of the same, and after due advertisement as in said Deed of Trust prescribed and by law provided, the said Trustee Services. Inc., Trustee, did on the 29th day of March. 2012, at 12:00 o'clock noon at the Courthouse door expose to public sale the lands hereinafter described; and whereas, NewBridge Bank has become entitled to purchase the same at the price of Three Hundred Fifty-Three Thousand Four Hundred and No/100 Dollars (\$353,400.00); which bid has been assigned to LSB Properties, Inc.:

And Whereas, the said purchase price has been fully paid or arranged to be paid as in said Deed of Trust prescribed:



Now, Therefore, in consideration of the premises and of the sum of \_\_\_\_Three Hundred Fifty-Three Thousand Four Hundred and No/100 \_\_\_Dollars (\$\_353,400.00) paid to the said party of the first part by the said party of the second part, the receipt whereof is hereby acknowledged, and under and by virtue of the power and authority by said Deed of Trust conferred, the said Trustee Services, Inc., Trustee as aforesaid, does hereby bargain, sell and convey unto the said LSB Properties, Inc., its successor and assigns, that certain parcel or tract or lot of land lying and being in County of \_\_Randolph\_, State of North Carolina, and defined and described as follows, to wit:

BEING all of Lots 8 and 9 of Tumpike Industrial Park. Section One, a map of which is recorded in Plat Book 30, Page 11. in the Office of the Register of Deeds for Randolph County, North Carolina.

To have and to hold said land and premises and all privileges and appurtenances thereto belonging unto the said <u>LSB Properties, Inc.</u>, its successor and assigns forever, in as full and ample manner as the said Trustee Services, Inc., Trustee as aforesaid, is authorized and empowered to convey the same.

This property was not the primary residence of the Grantor.

IN WITNESS WHEREOF. Trustee Services, Inc., Trustee, has caused this instrument to be duly executed, this  $10^{th}$  day of  $\Delta pril_{-}$ ,  $2012_{-}$ .

TRUSTEE SERVICES, INC. TRUSTEE

By:
Charles H. McGirt, President
***************
Davidson County, North Carolina
I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Charles H. McGirt as President of Trustee Services, Inc., Trustee.
Date: 4-10-2012 Molly a. Barnhardt

MOLLY A. BARNHARDT

Davidson County, North Carolina
My Commission Expires 9-30-2013

(Official signature of notary)

Molly A. Barnhardt Notary Public

(Notary's printed or typed name)

FILED Krista M Lowe Register of Deeds Randolph Co.NC Recording Fee \$47 00 NC Real Extate Ex Tx: \$ 00



20076730000165880 D/T Bk:RE2036 Pg:603 07/30/2007 03 18:52 PM 1/12



## DEED OF TRUST SECURING FUTURE ADVANCES

WHEN RECORDED MAIL TO:
Lexington State Bank
P O Box 707
Lexington , NC 27293-0707

	Deed	of Tru	st prep	ared by	:			
X					Mark	McGuire	Attornov	

THIS DEED OF TRUST is dated July 27, 2007, among Gates Properties of Trinity, LLC, whose address is 4686 Turnpike Ct., Thomasville, NC 27360 ("Grantor"); Lexington State Bank, whose address is (LSB The Bank), 38 West 1st Avenue, Lexington, NC 27292 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and TRUSTEE SERVICES, INC., whose address is 10 LSB PLAZA, LEXINGTON, NC 27292 (referred to below as "Trustee").

CONVEYANCE AND GRANT. NOW, THEREFORE, as security for the Indebtedness, advancements and other sums expended by the Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys' fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee, and Trustee's heirs or successors and assigns, for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Randolph County, State of North Carolina:

See Exhibit A, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 4686 Turnpike Ct., Thomasville, NC 27360.

To have and to hold said Real Property with all privileges and appurtenances thereunto belonging, to the Trustee, his heirs, successors and assigns forever, upon the trusts, terms and conditions and for the uses hereinafter set forth.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition,



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Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

FUTURE ADVANCES. The Indebtedness secured by this Deed of Trust is for present and future obligations and this Deed of Trust is given to secure all present and future obligations of Grantor to Beneficiary. The period in which future obligations may be incurred and secured by this Deed of Trust is the period between the date hereof and that date which is fifteen (15) years from the date hereof. The amount of present obligations secured by this Deed of Trust is Four Hundred Sixteen Thousand & 00/100 Dollars (\$416,000.00) and the maximum principal amount, including present and future obligations, which may be secured by this Deed of Trust at any one time is Four Hundred Sixteen Thousand & 00/100 Dollars (\$416,000.00.) Any additional amounts advanced by Beneficiary pursuant to the provisions of this Deed of Trust shall be deemed necessary expenditures for the protection of the security. Each future advance need not be evidenced by a written instrument or notation signed by Grantor or any other person evidencing or stipulating that such advance is secured by this Deed of Trust. All future obligations shall be considered to be made pursuant to the requirements of North Carolina General Statutes Sections 45-67, et. seq., or any amendments thereto.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing. (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of



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Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by North

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filled as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filled, within fifteen (15) days after Grantor has notice of the filling, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's fien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area.



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Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within tifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in tavor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

## (Continued)



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Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. The lien of this Deed of Trust and the security interest granted hereby will automatically attach, without further act, to all after-acquired property attached to and or used in the operation of the Property or any part thereof. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a



HIIIII Page 6

request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

**DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

**Default on Other Payments.** Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter

**Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and it Grantor gives Lender written notice of the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within lifteen (15) days, or (2) if the cure requires more than lifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.



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Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Express Power of Sale Provision. Upon the application or request of Lender, it shall be lawful for and the duty of the Trustee, and the Trustee is hereby authorized and empowered, to expose to sale and to sell the Property at public auction for cash, after having first complied with all applicable requirements of North Carolina law with respect to the exercise of powers of sale contained in deeds of trust or such other sales appropriate under the circumstances; and upon any such sale, the Trustee shall convey title to the purchaser in fee simple. In the event of any sale under this Deed of Trust by virtue of the exercise of the powers granted in this Deed of Trust, or pursuant to any order and any judicial proceeding or otherwise, the Property may be sold as an entirety or in separate parcels and in such manner or order as Lender in its sole discretion may elect. Trustee shall be authorized to hold a sale pursuant to North Carolina General Statute Chapter 45. If Trustee so elects, Trustee may sell the Property covered by this Deed of Trust at one or more separate sales in any manner permitted by applicable North Carolina law, and any exercise of the powers granted in this Deed of Trust shall not extinguish or exhaust such powers, until the entire Property is sold or the Indebtedness is paid in Iuli. If such Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Lender may at its option exercise the remedies granted under any of the security agreements either concurrently or independently and in such order as Lender may determine.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding toreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records,

## (Continued)



Page 8

obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filling a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Trustee's Fees. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale for a completed foreclosure. In the event foreclosure is commenced, but not completed, Grantor shall pay all expenses incurred by Trustee and partial commission computed on five percent (5%) of the outstanding indebtedness, according to the following schedule: one-fourth of the commission before Trustee issues a notice of hearing on the right to foreclosure; one-half of the commission after issuance of notice of hearing; three-fourths of the commission after a hearing; and the full commission after the initial sale.

Express Power to Substitute a Trustee. Lender shall have the irrevocable right to remove at any time and from time to time without limit the Trustee named in this Deed of Trust without notice or cause and to appoint a successor by an instrument in writing, duly acknowledged, in such a form as to entitle such written instrument to be recorded in the State of North Carolina; and, in the event of the death or resignation of the Trustee named in this Deed of Trust, Lender shall have the right to appoint a successor by such written instrument, and any Trustee so appointed shall be vested with the title to the Property, and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though the successor trustee were named in this Deed of Trust as Trustee.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of North Carolina.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by

Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Lexington State Bank, and its successors and assigns.

**Borrower**. The word "Borrower" means Gates Properties of Trinity, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default"

Environmental Laws. The words "Environmental Laws" mean any and all state, tederal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the default section of this Deed of Trust.

Grantor. The word "Grantor" means Gates Properties of Trinity, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.



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Lender. The word "Lender" means Lexington State Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 27, 2007, in the original principal amount of \$416.000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means TRUSTEE SERVICES, INC., whose address is 10 LSB PLAZA. LEXINGTON, NC 27292 and any substitute or successor trustees.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

GATES PROPERTIES OF TRINITY, LLC

Charles David Gates, Member/Manager of Gates Properties of Trinity, LLC

Amber S. Gates, Member/Manager of Gates Properties of Trinity, LLC



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LIMITED LIABILITY C	OMPANY ACKNOWLEDGMENT
STATE OFNorth Carolina	
COUNTY OF Davidson	) SS
	•
certify that Charles David Gates, Member/Manager me this day and acknowledged the due execution of Gates Properties of Trinity, LLC, a limited liability of	a Notary Public for said County and State, of Gates Properties of Trinity, LLC personally came before the foregoing instrument in writing by himself or herself for company, for the uses and purposes therein set forth.
Witness my hand and Notarial Seal this the 2	7th day of July , 2007 .
	( & Both
My Commission Expires: 1-19-2009	Arnicia Bryant Whitley
Affix Notarial Seal Here )	MPANY ACKNOWLEDGMENT
TATE OFNorth Carolina	
	)
OUNTY OFDavidson	) SS
	_ )
Arnicia Bryant Whitley artify that Amber S. Gates, Member/Manager of Gates is day and acknowledged the due execution of the ates Properties of Trinity, LLC, a limited liability con	a Notary Public for said County and State, ates Properties of Trinity, LLC personally came before me foregoing instrument in writing by himself or herself for mpany, for the uses and purposes therein set forth
itness my hand and Notarial Seal this the <u>27th</u>	
Commission Expires: 1-19-09	Arnicia Bryant Whitley
Affix Noterial Seal Here )	

Each Mil Joseph John 31 R. Oll .... Assembly Johnson (or 180) 500 As Agree Presents 4C - EFFLY COI 1C TRICKET THE CONSECTION

20070730000165860 RE2036 614 12/12

## **EXHIBIT A**

BEING all of Lots 8 and 9 of Turnpike Industrial Park, Section One, a map of which is recorded in Plat Book 30, Page 11, in the Office of the Register of Deeds for Randolph County, North Carolina.

Page 1 of 2

RE BOOK Bock: 1560 Page: 0158

FILED 1998-024232 Nov 02 1998 12:20:25 pm

Randolph County, NC Ann Sh w. REGISTER of DEEDS

Re ording Fee 10.00 NC Real Estate ExTx 850.00

Excise Tax

Recording Time, Book and Page

Tax Lot No.

Parcel Identifier No.

Verified by

County on the

day of

, 19

Mail after recording to

Eva Mae Stewart

VKeziah, Gates & Samet, L.L.P., P.O. Box 2608, High Point, NC 27261

This instrument was prepared by Wyatt Early Harris & Wheeler, L.L.P. (William P. Harris)

Brief description for the Index

## NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 30th day of October

, 19 98 , by and between

H. Clifton Stewart, Sr. and wife,

Miller Desk, Inc., a North Carolina

GRANTEE

Corporation P O Box HP-11 High Point, NC 27261

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.q. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of , Trinity

Randolph

County, North Carolina and more particularly described as follows:

Being all of Lots 8 and 9 of Tumpike Industrial Park, Section One, a map of which is recorded in Plat Book 30, Page 11, in the office of the Register of Deeds for Randolph County, North

Tax reference: Map 6797, Block 9, Lot 6207.

RE BOOK Book: 1580 Page: 0159

Book 1454, Page 836.	and a second		
A map showing the above described property is recorded	in Plat Book	page	4.4
TO HAVE AND TO HOLD the aforesaid lot or parcel of the Grantee in fee simple.		and appurtenances th	ereto belonging to
And the Grantor covenants with the Grantee, that Gran the same in fee simple, that title is marketable and free defend the title against the lawful claims of all persons w Title to the property hereinabove described is subject to	and clear of all encumbra homsoever except for the	nces, and that Grante exceptions hereinafte	or will warrant and
Applicable easements, restrictions and r	ights of way, If an	, of record.	
IN WITNESS WHEREOF, the Granter has bereunte set his corporate mans: by its duly authorized officers and its seal to be her above written.	hand and yeal, or it corporate,	has caused this instrume	ent to be signed in its be day and year firs
corporate name by its duly authorized officers and its seal to be Act above written.	Hillista.	Keeward &	CZC (SEAL)
(Corporate Name)	H. C./fton Stevari		
Ву; ,,	& Gua Mas	Stewart	(SFAL)
	<b>z</b>		
ATTEST:	·		(SEAL)
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Serretary (Corporate Seal)	<u> </u>		(SEAL)
NORTH CAROLINA, Gull for NOTARY PUBLIC  PUBLIC  NORTH CAROLINA, Gull for L a Notary Public of the County and wife, Eva Map St.  Personally appeared before me this hand and official stamp or sent, this My commission vapires: 11-12-	and State aforesaid, certify the	rention of the foregoing is	Grantor.
SEAL-STAMP NOBTH CAROLINA,	County.		
I, a Notary Public of the County :			
g personally came before me this day	y and acknowledged that		
given and as the act of the curpor			
# President, sealed with its corporate			
Witness my hand and official stamp	or seal, thisday of .	******* ****** ***	19
M3 commission expires:			Nelaty Public
NORTH CAROLINA — RANDOLPH COUNTY The foregoing certificate(s) of	lan S. Sank	ms	
Notary/Notarjes Public is/are certified to be confet.  This day of ANN by:	SHAW TOURS OF DE	ing artegis	ster of Deeds

The property hereinabove described was acquired by Grantor by instrument recorded in See deed recorded in

N. C. Bur About, Friend No. 3, C. 1976, Respond of 1977 in participation of the Control of Approximate Proximal States (1987).

EX 1454 PG 0836

05/03/96

18.00 po

RANFOLPH COUNTY NC

NORTHA S

Real Estate Excise Tax

Excise Tax \$850.00

Recording Time, Book and Page

Tax Lot No.	Parcel Identifier No.
	County on the day of
Mail after recording to Wyatt Ear	rly Harris & Wheeler, L.L.P. (Kim W. Gallimore)
	The state of the s
P. O. Drawer 2086, High Po	int, NC 27261-2086
P. O. Drawer 2086, High Po	int, NC 27261-2086 yatt Early Harris & Wheeler, L.L.P. (Kim W. Gallimore)

## NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 1st day of May , 10 96 , by and between

GRANTOR

C & M Investments of High Point, Inc. GRANTEE

H. Clifton Stewart, Sr., and wife, Eva Mae Stewart 4876 High Point Road Kernersville, NC 27284

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.q. corporation or partnership,

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, meaculine, feminine or neuter as required by context.

Pandolph County, North Carolina and more particularly described as follows:

BEING all of Lots 8 and 9 of Turnpike Industrial Park, Section One, a map of which is recorded in Plat Book 30, Page 11 in the office of the Register of Deeds for Randolph County, North Carolina.

Tax Reference: Map 6797, Block 9, Lot 6207



BK 1 4 5 4 13 0 8 3 7

The property hereinabove described was acquired by Grantor by instrument recorded in .

0.000		and the second second	and the second second second
A map showing the	above described property is record	ed in Dist Book 20 De	
TO HAVE AND TO	HOLD the aforesaid lot or narcel	of land and all privileges	and appurtenances thereto belonging
And the Grantor co- the same in fee simp defend the title again	venants with the Grantee that Co	ee and clear of all encumbra	ses in fee simple, has the right to con succe, and that Grantor will warrant : exceptions hereinafter stated.
	sy, easements and enforceal		
IN WITNESS WHEN topports name by its dut new ortition.	EOF, the Oranior has becount  set his y authorized efficers and its seal to be b	e band and seal, or if corporate, bereunts affixed by authority of	has caused this instrument to be signed in Its Board of Directofs, the day and year if
C & M Investmen	ts of High Point, Inc.	ONCE	(SHA
on Callage M	Thread .	1XK 02	(BEA
Chlasta	Dain	ВЕАСИ	(\$RA
1990	Secretary (Corporate Seal)	# ## ## ## ## ## ## ## ## ## ## ## ## #	(3FA
William William	NORTH CAROLINA,	and State aforesald, rertify the	·
	· · · · · · · · · · · · · · · · · · ·		
	My commission expires:		Hotary Publi
SEAL-STAMP	NORTH CAROLINA	and State storetaid, certify the	
V.OIARY	C & M Investments of	High Point, Inc. Hors Co	rollns corporation, and that by authority deli-
STAND LIGHT	President, sented with its corporate D Witness my hand and official stamp		May y 94
See The state of	My commission expires:	7-99 14	of Whata Nothing Public
The foregoing Certificate(s)	v		
NORTH CAROLINA — R The foregoing certificate(s	7.1. 1 // \	mutin y	,.P.
is (are) certified to be correct.	This instrument was presented for regis	1996	1)255 o'clock D M
	U	B Jan And	Register of Deeds
This Standard Porm has been a the U. C. her Association and	openved jointly by: The H. C. Association of Memitors, inc.	MCSA 441	SMITTIN

H 1	\$2E6000	10.55
Γ	Excise Tax *1045 Revocining Time, Book and Page Tax Lot No. Parcel identifier No. Verified by County in the day of 19 by .  Mail after recording to	
	ROBERSON, ILMORTH & ACESE, P. O. Box 1550, High Point, North Carolina 27261  This instrument was prepared by DAVID L. HAYNARD, Attorney at Law (mh)  Ilrief description for the lastex  NORTH CAROLINA GENERAL WARRANTY DEED  THIS DEED made this 12th day of APT1 , 19 88 by and between  GRANTOR  GRANTEE  HEDONALD DEVELOPMENT OF HIGH POINT, INC., 2 NORTH Carolina corporation  HEDONALD DEVELOPMENT OF HIGH POINT, INC., 3435 Imperial Delve High Point, N.C. 27260	
[51858RV.3]	Enter in appropriate block for each parity name, address, and, if appropriate, character of radity, c.q. corporation or partnership.  The designation Granter and Grantee as used herein shall include sale partless, their heirs, successors, and assigns shall include singular, plural, masculine, feminine or neuter as required by context.  WITNESSETII, that the Granter, for a valuable consideration point by the Grantee, the receipt of which is he acknowledged, has and by these presents does grant, bargoin, soil and convey unto the Grantee in fee simple, all certain lot or parcel of land situated in the City of Town GANDOLPH County, North Carolina and more particularly described as follows:	ereby that
4	BEING THAT PROPERTY as described in Exhibit A attached hereto and incorporated herein by reference, as if fully set out herein.  This conveyance is made subject to all applicable rights of way, easements and restrictions of record, if any.	STATE OF THE PROPERTY OF THE P
श्चा ए	N. I. Red. Samon's Longel Note: 1 - 1970; Ill Nobels ( 1977 - Jacques Lombian for Printill November 8 to 1989)  **Control of Samon's Longel Note: 1 to Nobel 1988   1987 - Jacques Longel Longel Nobel Nobel 1989    **Control of Samon's Longel Nobel 1 to Nobel 1988   1987 - Jacques Longel Nobel Nobel Nobel 1989    **Control of Samon's Longel Nobel 1 to Nobel 1988   1987 - Jacques Longel Nobel Nobel Nobel 1989    **Control of Samon's Longel Nobel 1 to Nobel 1988   1987 - Jacques Longel Nobel	
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	000933	
	The property hereinabove described was acquired by Grantor by Instrument recorded in	h
	Book 1194, Page 56  A map showing the abuve described property is recorded in Plut Book page  TO HAVE AND TO HOLD the abuveald let or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.  And the Granter covenants with the Grantee, that Granter is acired of the premiers in fee simple, has the right to convey the same in fee simple. But title is marketable and free and clear of all encontractees, and that Grantor will warrant and defound the title against the lawful claims of all persons whomesover except for the exceptions between the same of the property heretinalized described is subject to the following exceptions.	
	ATTEST  Distriction  Districtio	
	SOUTH CARGULAN, SOLLEGGED AND A STATE STORMAN CORRESPONDED TO THE STATE OF THE STAT	
	NORTH CAROLINA — Randolph County The foregoing certificate(s) of MCULLA HUCCUINS  Notary Public of  Divided Country Notice of Country Notice of Section (are) pertilled to be correct. This instrument was presented for registration and recorded in this office at Book 1221	
- · ·	is (are) excitlind to be correct. This instrument was presented for registration and recorded in this office at Book 1221  Page 132. This 13 day of 150 Mar. Ann Show, Register of Deeds  Ann Show, Register of Deeds  By Caucautiff Departy Register of Deeds	

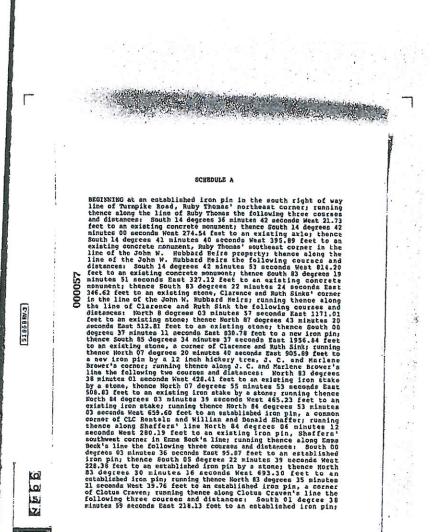
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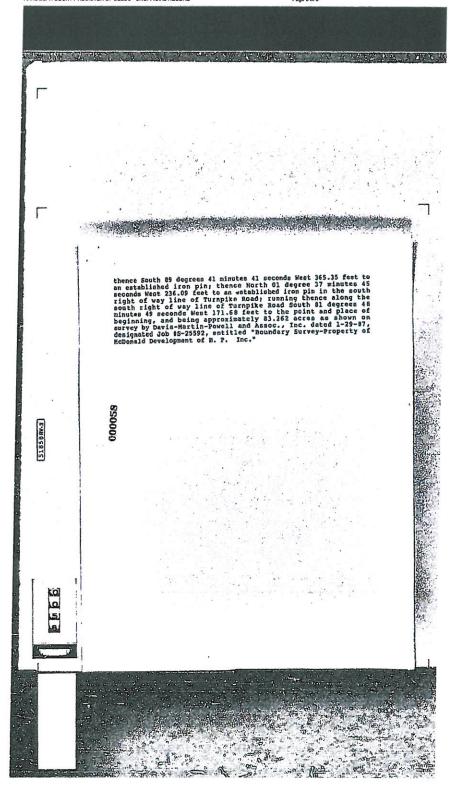
#### EXIITET A

BEGINNING at an established iron pin in the south right of way line of Turhpike Road, Ruby Thomas' mortheast corner; running thence along the line of Ruby Thomas the Following three courses and distances: South 14' 36' 42" West 274.54 feet to an existing concrete monument; thence South 14' 40" West 395.89 feet to an existing concrete monument; thence South 14' 14" West 395.89 feet to an existing concrete monument, Ruby Thomas' southeast corner in the line of John W. Hubbard Heirs property; thence along the line of the John N. Hubbard Heirs the following courses and distances: South 14' 82' 53" Kest 818.20 feet to an existing concrete monument; thence South 83' 92' 24" East 346.62 feet to an existing stone, Clarence and Ruth Sink's corner in the line of the John N. Hubbard Heirs; running thonce along the line of Clarence and Ruth Sink's the following courses and distances: Morth 8' 03' 57" East 171.01 feet to an existing stone; thence North 87' 43' 20" East 512.81 feet to an existing stone; thence South 85' 38' 31" East 1956.88 feet to an existing stone, a corner of Clarence and Ruth Sink; thence South 85' 38' 31" East 1956.88 feet to an existing stone, a corner of Clarence and Ruth Sink; thence Morth 87' 20' 40" East 905.89 feet to an eviron pin by a 12 inch hickory tree, J. C. and Narlenc Brower's corner; running thence Along J. C. and Marlenc Brower's line the following to courses and distances: North 83' 38' 01" West 428.41 feet to an existing from stake by a stone; running thence North 84' 03' 39" Nest 655.60 feet to an existing iron stake by a stone; running thence Morth 84' 03' 39" Mest 465.23 feet to an existing iron stake; running thence Morth 84' 03' 39" Kest 650.60 feet to an existing iron stake; running thence North 84' 03' 39" Mest 655.60 feet to an existing iron stake; running thence North 84' 03' 39" Mest 650.60 feet to an existing iron stake; running thence courses and distances: South 01' 38' 59" East 286.19 feet to an established iron pin; running thence courses and distances: South 01' 38' 59"

SAVE AND EXCEPT the following described property conveyed to CLC Rentals, Inc. by deed recorded in Book 1201, at Page 128, Randolph County Registry: BEGINNING at an oatablished from pin south of Turnpike Road, a common corner of Emem Beck, Deed Book 1013, Page 53, and William and Denald Shaffer, Deed Book 1131, Page 258; running thence along the line of Shaffer South 84° 06′ 12° Emst 280.19 feet to an established iron pin, a corner of CLC Rentals, Deed Book 947, Page 18; running thence along the present line of CLC Rentals South 84° 53′ 03° Emst 695,60 feet to an established iron stake; continuing thence along the present line of CLC Rentals South 84° 03° Beat 465.23 feet to an established iron stake by a stone in the line of J. C. Brower; running thence along the line of Brower South 07′ 55′ 53° West 508.83 feet to an established iron backe by a stone; running thence along the line of Brower South 07′ 55′ 53° West 508.83 feet to an established iron pin by a stone; a corner of Enga Heck; running thence along the line of Seck North 05′ 22′ 39° Emst 228.38 feet and North 00′ 03′ 36′ Meat 95.87 feet to the RECHNING. The same containing 13.282 acres, more or less. See survey by Davis-Martin-Powell & Associates, Inc., dated 1-29-87, Job No. S-25592.

Г	MAIL TO ROBERSON, RAUGETH & REESE, F.G. BOX 1550, HIGH POINT, NC 27261  [Road & Robbet Copy   Robert class   Robert Copy   Robert class    PERMANDER ADMINISTRATED STANDARD ST
	Soe Schedule A attached hereto and ande a part hereof, the same an if fully set out herein.  State of Real Frish State of Real
[51858 RV-3]	The above land was eccuryed to Granter by E.C. CCAVOR Of MM Suphitan 263 1320 TO HAVE AND TO HOLD the above described procises, with either apparaments that the strength of the process and strength of the process and strength through our in the Granter, the hole and the receivers and strength in the strength attention to the strength of the process of the strength of the process of the strength of th
ka)	STATE OF NORTH CAROLINA—RUILPORD COUNTY  NORTH CAROLINA—Rundohi County  The foregoing creditate(s) of  Service of Service
5	13192





## APPENDIX F

User Questionnaire

## PHASE I USER QUESTIONNAIRE Environmental Site Assessment (ESA)

Flint Trading
4686 Turnpike Court, Thomasville, NC

(1.) Are you aware of any environmental cleanup liens against the property that are filed or
recorded under federal, tribal, state or local law?
A/O
(2.) Are you aware of any Authorized Use Lists, such as engineering controls, land use
restrictions or institutional controls that are in place at the site and/or have been filed or recorded
in a registry under federal, tribal, state or local law?
No state of focal law:
(3.) As the user of this ESA, do you have any specialized knowledge or experience related to the
property or nearby properties? For example, are you involved in the same line of business as the
current or former occupants of the property or an adjoining property so that you would have
specialized knowledge of the chemicals and processes used by this type of business?
NO , ONLY INFORMATION FROM THE FIRE DEPT.
(4.) Does the purchase price being paid for this property reasonably reflect the fair market value
of the property? If you conclude that there is a difference, have you considered whether the
ower purchase price is because contamination is known or believed to be present at the
property?
YES



## PHASE I USER QUESTIONNAIRE

## **Environmental Site Assessment (ESA)**

Flint Trading
4686 Turnpike Court, Thomasville, NC

(5.) A	are you aware of commonly known or reasonably ascertainable information about the
proper	rty that would help the environmental professional to identify conditions indicative of
	es or threatened releases? For example, as user,
*	(a.) Do you know the past uses of the property?
	YES
	(b.) Do you know of specific chemicals that are present or once were present at the property?
	YES
	(c.) Do you know of spills or other chemical releases that have taken place at the property?
: q	(d.) Do you know of any environmental cleanups that have taken place at the property?
	the <i>User</i> of this <i>ESA</i> , based on your knowledge and experience related to the <i>property</i> , any <i>obvious</i> indicators that point to the presence or likely presence of contamination at <i>verty</i> ?
Printed N	
Date:	1-14-13

PYRAMID EMPRONNENTAL & ENGINEERING, P.C. Phone: 336-335-3174 FAX: 336-691-0648

# APPENDIX G EDR Report